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GOVERNMENT OF THE PROVINCE OF ALBERTA

DEPARTMENT OF INDUSTRIES AND LABOUR

EDMONTON, ALBERTA

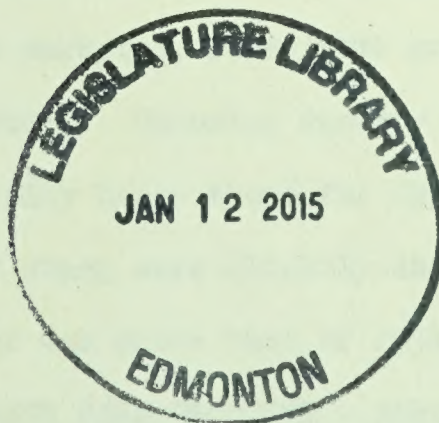
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CANADA

628 ADMINISTRATION BUILDING

3// REVIEW OF BUSINESS CONDITIONS

ALBERTA - 1955



Prepared by Alberta Bureau of Statistics,
Department of Industries and Labour,
Edmonton, Alberta.
January 18, 1956.

Page 1 of 1
Date: 10/10/1910
Time: 10:10 AM

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDING DECEMBER 31, 1910

AND THE FINANCIAL STATEMENT THEREOF

THE BOARD OF DIRECTORS OF THE

COMPANY HAS THE HONOR TO SUBMIT TO YOU

THE FOLLOWING REPORT:



Very respectfully,
[Signature]
[Name]
[Title]



GOVERNMENT OF THE PROVINCE OF ALBERTA
DEPARTMENT OF INDUSTRIES AND LABOUR
ALBERTA BUREAU OF STATISTICS
628 ADMINISTRATION BUILDING

EDMONTON, ALBERTA
CANADA

ANNUAL REVIEW OF BUSINESS CONDITIONS 1955

Increased economic activity was evident in all sectors of the provincial economy during 1955, with the exception of the farming community. Mineral production, gross value of manufacturing, electric power consumption, construction activity, retail and wholesale trade, and forestry production, all exceeded previous postwar records. Unlike 1954, when there was a general mild decline of activity during the first eight or nine months of the year, business conditions throughout 1955 were stable and well above the level of the previous year.

AGRICULTURE:

The cash income position of Alberta farmers deteriorated slightly by the year end, although to the end of September 1955 it had been slightly above that of 1954. Returns from wheat and flax sales were above those of 1954, but receipts from sales of oats, barley and rye were substantially lower. Receipts from livestock marketings were also slightly lower than in 1954 over an eleven month period. Sales of cattle, calves, sheep and lambs were higher in number and value, but despite the increased numbers of hogs marketed, lower pork prices resulted in an overall decrease in income from livestock. Canadian exports of slaughter cattle, feeder cattle and hogs were substantially below those for 1954, while exports of dairy and purebred cattle, calves and sheep were slightly above last year. Cash income from dairy and poultry products was above that of 1954.

CASH INCOME FROM MAJOR FARM PRODUCTS - ALBERTA
1954 and 1955

	<u>1 9 5 4</u>	<u>1 9 5 5</u>
Grains (January - November)	\$ 138,268,000	\$ 130,730,000
Livestock (January - November)	129,824,000	127,156,000
Dairy Products (January - October)	25,030,000	26,037,000
Poultry Products (January - November)	5,703,000	7,027,000
T O T A L - - - - -	\$ <u>298,825,000</u>	\$ <u>290,950,000</u>

Income from sugar beets and honey is reported to be higher than in 1954 because of more favourable weather conditions.

The effect of the new federal government policy of guaranteeing bank loans to farmers with grain in farm storage is not yet clearly visible in sales of agricultural machinery or other farm consumed goods.

MINERALS:

A preliminary estimate, by the Dominion Bureau of Statistics, placed the value of minerals produced during the year in Alberta at approximately \$323.7 million, an increase of \$45 million over the \$279.0 million recorded in 1954.

MINERAL PRODUCTION 1954 and 1955

	1954 (1)		1955 (2)	
	<u>Quantity</u>	<u>Value</u> \$	<u>Quantity</u>	<u>Value</u> \$
Gold	195 oz	6,644	194 oz.	6,697
Silver	18 oz.	15	20 oz.	18
Salt	31,196 tons	722,183	32,470 tons	740,900
Coal	4,859,049 tons	26,382,603	4,344,377 tons	23,216,397
Natural Gas	107,173,777 m.c.f.	8,038,033	126,750,000 m.c.f.	9,506,250
Petroleum Crude	87,713,855 bbl.	228,319,165	112,200,000 bbl	273,094,800
Clay Products		2,316,982		2,617,203
Cement	3,052,805 bbl	7,761,082	2,920,962 bbl	7,302,405
Lime	32,599 ton	493,303	36,226 ton	547,320
Sand and Gravel	7,313,380 ton	4,867,410	8,761,486 ton	6,448,712
Stone	27,017 ton	135,315	44,200 ton	260,000
T O T A L - - - - -		<u>\$279,042,735</u>		<u>\$323,740,702</u>

(1) Final

(2) Preliminary estimate of D.B.S.

As will be seen from the above table increased receipts from crude oil accounted for the increase. A \$3.2 million decrease in value of coal mined was compensated for largely by a \$1.5 million increase in value of natural gas consumed and a \$1.6 million increase in value of sand and gravel. Not included in the report is the production of the approximately 29,000 tons of elemental sulphur produced by the gas absorption plants of the province. The value is included in that of natural gas but production is attributed to Alberta manufacturing plants.

It may also be noted that whereas gross production of crude oil increased by 28%, the valuation increased by only 20%, which indicates a decline in crude oil prices.

Development of the Pembina oil field proceeded apace during the year. Whereas only 50 wells were capable of being operated in the field in October 1954, 682 were capable in October 1955. At the end of October 5,946 wells in all fields were capable of production as compared with 4,954 in 1954. By October the Pembina field was in third position in cumulative number of barrels of oil produced during 1955. (Redwater 23.7 million, Leduc Woodbend 16.8 million and Pembina 10.9 million) and during the month it exceeded Leduc Woodbend in monthly production.

Drilling activity during 1955 reached record proportions with the total footage drilled for the year being estimated at 9,600,000 feet. This figure far exceeds the 6,632,000 ft drilled during 1952 which was formerly the record year.

With the hurdles barring financing and construction of the Trans-Canada and Westcoast Transmission gas pipelines apparently cleared it can be anticipated that both quantity and value of natural gas production will rise materially in the next two years. With increased gas production there will be a concomitant increase in production and value of materials manufactured from natural gas by-products.

FORESTRY:

Lumber production rose to 417,000,000 ft. b.m. as compared with 366,000,000 ft.b.m. produced in 1954. Mill value of lumber and other products rose from \$18,236,000 to \$20,780,000. The rise is a reflection of increased construction activity, and of especially favourable weather during the three main lumbering months, January through March, 1955. It is anticipated that pulpwood production will substantially increase as the new pulp mill at Hinton nears completion.

FISHERIES:

Fisheries production for the first nine months of 1955 totalled 7,131,375 lbs. valued at \$943,313 as compared with production of 7,419,695 lbs. valued at \$941,759 in 1954.

FUR:

The number of furs (wild life) trapped to the end of November increased by 56% over 1954, but even more significant was the 96% increase in value. Dollar returns totalled \$2,044,466 as compared with \$1,041,849 in the previous year.

The 136,245 animals pelted on Alberta fur farms during the 1954-55 season were valued at \$2,504,556. Sales of live animals from Alberta fur farms were valued at \$215,850.

ELECTRIC POWER:

Two new hydro-power projects were completed in the Bow River Basin during the year: the Pocaterra plant, with a 18,400 h.p. turbine and 15,000 k.v.a. generator; and the Interlakes plant with a 6,900 h.p. turbine and 5,600 k.v.a. generator. Construction continued on the 66,000 k.w. steam turbine plant at Wabamun, and on a 1,000 h.p. addition to the Astoria plant near Jasper. Construction was begun on a 30,000 k.w. steam-turbine plant near Forestburg.

Over 4,200 farms were connected to power lines during the year bringing the total to 34,700.

Electric power consumption continued to increase at an annual rate of nearly 15%, as it has for the past several years. Final figures of production for the year are expected to exceed 1,682 million k.w.h. as compared with 1,485 million k.w.h. in 1954.

MANUFACTURING:

The value of products manufactured increased substantially during the year. Value of shipments is expected to exceed \$629.0 million as compared with over \$570.0 million in 1954. The petro-chemical plants of the province, now in full production, account for the major single increase, but all industrial groups show gains. The index of industrial employment at 1 October, 1955, was 10% higher than a year earlier, and increasing industrial employment has been a feature of the economy throughout the year.

Comparative figures on manufacturing production for 1953-55 are outlined in the following table.

The 1954-55 estimate for the 1954-55 season
were valued at \$2,304,350. Sales of live animals for 1954-55 season
at \$215,820.

HYDRO-ELECTRIC POWER

Two new hydro-electric projects were completed in the Bow River Basin during
the year: the Bow River plant, with a 10,000 h.p. turbine and 15,000 h.p. generator,
and the Bow River plant, with a 6,000 h.p. turbine and 8,000 h.p. generator.
Construction continued on the 6,000 h.p. steam turbine plant at Lethbridge, and on a
1,000 h.p. addition to the Lethbridge plant. Construction was begun on a
30,000 h.p. steam-turbine plant near Fort McMurray.

Over 1,000 turbines were converted to power lines during the year bringing
the total to 34,700.

Electric power consumption continued to increase at an annual rate of
nearly 10% as is seen for the past several years. Total charges of production for
the year are expected to exceed \$100 million, compared with \$85 million

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MANUFACTURING

The value of products manufactured increased substantially during the
year. Value of shipments is expected to exceed \$250 million as compared with over
\$270.0 million in 1954. The past year's plants of the province, now in full
production, account for the major share of increase, and all industrial groups show
growth. The total of industrial shipments for 1954-55, 1955, and 1956 shows
a year's output, and increasing industrial shipments has been a feature of the
economy throughout the year.

Comparative figures of manufacturing production for 1953-54 are outlined
in the following table.

SELLING VALUE OF FACTORY SHIPMENTS - ALBERTA, 1953 - 1955

<u>Industrial Group</u>	<u>1 9 5 3</u> <u>(final)*</u> <u>\$</u>	<u>1 9 5 4</u> <u>(Prelim.)*</u> <u>(D.B.S.)</u> <u>\$</u>	<u>1 9 5 5</u> <u>(Est.)#</u> <u>(A.B.S.)</u> <u>\$</u>
Foods and Beverages	264,073,000	260,099,000	270,000,000
Leather Products	260,000	282,000	300,000
Textiles	2,940,000	2,296,000	5,400,000
Knitting Mills	367,000	261,000	300,000
Clothing	7,396,000	7,008,000	7,500,000
Wood Products	59,862,000	61,712,000	67,000,000
Paper Products	7,457,000	7,622,000	8,000,000
Printing, Publishing and Allied Products	17,115,000	18,811,000	20,700,000
Iron and Steel Products	32,650,000	33,767,000	36,000,000
Transportation Equipment	25,050,000	19,887,000	22,000,000
Non-Ferrous Metal Products	1,462,000	3,614,000	7,000,000
Electrical Apparatus & Supplies	572,000	972,000	1,000,000
Non-Metallic Mineral Products	29,320,000	30,782,000	35,000,000
Products of Petroleum & Coal	89,987,000	101,916,000	118,000,000
Chemicals & Allied Products	14,582,000	18,889,000	28,000,000
Misc. Industries	2,722,000	2,552,000	2,800,000
T O T A L - - - - - \$	<u>555,815,000</u>	<u>570,470,000</u>	<u>629,000,000</u>

* Source: Dominion Bureau of Statistics.

Estimate: Alberta Bureau of Statistics.

Flour mills have been working below capacity throughout most of the year. Meat packing plants processed 325.5 million lbs of meat in 1955 (11 months) as compared with 286.8 million lbs in the same period of 1954 but a decline in meat prices left value of production almost constant. However, gross sales of packing plants rose from \$110.0 million to \$116.7 million, an increase of 6.1%.

Production of gasoline, diesel fuel, kerosene rose by 12%; of butane by 67%; of propane by 124%; of natural gasoline by 28%; and of elemental sulphur (an

absorption plant by-product) by 30%.

Gross sales of brick, tile and other clay products rose by 10% above 1954 and sales of cement product firms held practically steady, though they were undoubtedly affected by the severity of the early winter. Lime manufactured again increased by nearly 32% in quantity and 12.5% in value. Cement production declined in both quantity and value. Production is expected to rise again over the next two years with the coming into operation of two new plants in the Edmonton area, and with increased demand caused by construction of the St. Lawrence seaway. Sawmill and planing mill production rose substantially by 14%.

The major petro-chemical plants of the Edmonton area were in production for the first full year and accordingly value of production will be well above that of 1954. The year 1955 was notable for the large number of new plants announced whose raw materials and products will be petro-chemical. It is significant that this further processing is being done locally.

In the manufacturing plant survey of new firms and additions for 1955 twenty-two plants are listed for the Calgary area, of which thirteen are new firms and nine additions to existing establishments. The emphasis is on steel fabrication and construction material production.

Twenty-two plants are also listed for the Edmonton area of which twenty are new establishments and two are additions to existing plants. Iron and steel plants (pipe, reinforcing steel, steel bars, nails, steel beams) with an approximate capitalization of \$13,000,000 were either completed or under construction, and add considerably to the potential capacity of the steel industry of the province. Five plants with an approximate capitalization of \$1,275,000 will be adding to the petro-chemical industry of the province.

The largest single new industrial plant announced during 1955 is being constructed and will be completed in 1956 at Medicine Hat. This is a \$25,000,000 fertilizer plant which will utilize natural gas from the Etzikom field and which will afford permanent employment to over 330 persons.

The \$33,000,000 pulp and paper mill at Hinton is hoped to be completed and in production by 1957.

Other major industrial plants completed in 1955 or under construction for completion in 1956 include two cement plants with a total valuation of \$14,000,000; a \$1,000,000 sulphuric acid plant; a \$750,000 glass fibre plant at Fort Saskatchewan; a \$2,500,000 oil refinery at Grande Prairie; a \$450,000 refinery at Lloydminster; and two vegetable processing plants each capitalized at over \$500,000 at Taber and Magrath.

Two gas absorption plants valued at \$3,000,000 each are under construction at Redwater and Nevis. A \$4,000,000 sulphur extraction plant will be completed at Pincher Creek in 1956 to process the sulphur laden gas withdrawn from that field.

Especially noteworthy is the wide geographical distribution of manufacturing plants based on Alberta oil resources.

CONSTRUCTION:

Despite the poor construction weather in the north half of the province in November and December, construction activity was at an all time high during 1955. At the beginning of the year it was estimated^{*} that value of construction in the province would total \$586,200,000 as compared with the previous high of \$569,500,000 in 1953.

To the end of November Maclean Building Reports estimate value of contracts awarded at \$219,600,000, 32.3% higher than in 1954. Major increases were in residential building, also up by 32.3% and in industrial building up by 48.5%.

Value of building permits issued in the eight cities totalled \$152. million during 1955 as compared with \$131. million in 1954. The Calgary total of \$58.9 million (up by \$12,200,000) plus an Edmonton total of \$58.7 million (down by \$9.6 million) account for 77% of the total. The Medicine Hat figures rose most spectacularly percentage wise, rising from \$2.4 million to \$22.3 million for an increase of 829%. Permits issued at rural points rose in value from \$14.5 million to \$23.1 million over an eleven month period, although some of the apparent increase is due to better coverage.

* By the Dominion Bureau of Statistics "Private and Public Investment in Canada 1955, Regional Estimates".

Judging by the announced plans for further residential construction, 1956 promises to be an equally active year. There will be a substantial carryover of industrial building to supplement new industrial projects to be announced during the year. Building of the Trans-Canada and Westcoast Transmission Pipelines, and all necessary feeder lines will ensure a substantial boost to engineering construction.

TRADE:

Retail sales in Alberta to the end of October, 1955, totalled \$804.0 million as compared with \$755.9 million at same date of 1954, and \$802.4 million in 1953. In view of the fact that monthly sales volume reached \$92.2 million in October and that there was no slackening of business activity in November and December it is likely that total retail trade for the year will approximate \$1,004.0 million for the year as compared with \$932.5 in 1954 and the previous high of \$987.4 million in 1953.

To the end of October sales increases were most notable in department stores, up 9.4%; by motor vehicle dealers, up 16.6%; and in furniture, appliances and radio stores, up by 21.1%.

Wholesale trade reports received in this bureau to the end of November also indicate generally buoyant business conditions. In addition to the groups noted above, grocery wholesalers reported a substantial 5.1% increase in sales; building supply dealers an increase of 16.1%; and even agricultural machinery sales have begun to pick up, being 6.0% higher than in 1954.

That the buoyant conditions are general was evidenced by the increases noted for various provincial centres: Calgary up 8.2%; Edmonton by 8.3%; Lethbridge by 0.6%; Medicine Hat by 11.5%; and other smaller centres by 14.1%.

BANK CLEARINGS:

Bank clearings at \$5.5 billion were over 19% higher than the \$4.6 billion recorded in 1954. Ten month bank debit figures of \$8.0 billion were 7.7% above the \$7.4 billion shown for a similar period of 1954.

EMPLOYMENT:

The labour situation (based on non-agricultural firms having 15 employees or more) at October 1, 1955, showed increases over 1954 both in number of persons employed and in salaries and wages paid.

The industrial composite index of employment rose steadily to 142.6 at October 1, 1955, as compared with 135.5 on October 1, 1954. The index each successive month of 1955 increased over the same month in 1954. The largest single increase was on October 1, in mining 121.6 (1955) as compared with 109.9 (1954), manufacturing 143.1 (1955) as compared with 133.1 (1954).

During the first ten months of 1955 the industrial composite figure on average weekly salaries and wages for each successive month was above that of 1954. On October 1, it stood at \$62.30 well above the October 1, 1954, figures of \$60.70 and the October 1, 1953, figure of \$59.12.

Over the January-October period of 1955 average weekly wages and salaries of the major industrial groups were above those of 1954 with the exception of the construction industry which fell below 1954 levels during three of the ten months. On October 1, 1955, the average in mining was \$81.01 as compared with \$76.30 in 1954; in manufacturing \$61.89 as compared with \$61.15; in construction \$66.09 as compared with \$65.04; in transportation, storage and communication, \$64.45 as compared with \$63.83; in trade \$54.08 as compared with \$52.59; and in service \$38.78 as compared with \$38.14.

On a regional basis Calgary recorded an increase in employment from 138.3 October 1, 1954, to 146.7 on October 1, 1955, with average weekly salaries and wages rising from \$58.75 to \$59.71. Edmonton showed a slightly lower increase with employment up from 155.6 to 165.3 and weekly salaries and wages up from \$59.69 to \$59.79 for the same period.

COMPANY INCORPORATIONS:

The number of foreign and domestic companies registered and incorporated in 1955 in Alberta totalled 1,342 to the end of November; authorized capitalization approximated \$131,900,000. Twelve month figures for previous years for registrations were 1,379 in 1954; 1,386 in 1953; and 1,192 in 1952. Comparative authorized

capitalizations were as follows: \$169.8 million in 1954; \$186.1 million in 1953; and \$373.8 million in 1952.

PUBLIC AND PRIVATE INVESTMENT:

Comparative 1953, 1954 and 1955 public and private investment intentions are as outlined in the table below.

PUBLIC AND PRIVATE INVESTMENT IN ALBERTA, 1953-54-55

	<u>1953*</u>	<u>1954[#]</u>	<u>1955*[#]</u>
	\$	Millions of Dollars \$	\$
Primary Industries & Construction Industries	269.0	218.3	271.2
Manufacturing	104.1	61.2	57.8
Utilities	130.0	141.7	138.9
Trade, Financial & Commercial Services	72.1	67.5	64.2
Housing	123.0	139.0	131.5
Institutional Services & Government Departments	198.9	145.5	154.6
T O T A L	897.1	773.2	818.2

* Actual. [#] Preliminary actual. *[#] Intentions.

TOURIST TRADE:

It is apparent that, encouraged by satisfactory weather conditions, the tourist trade of the province experienced a banner year. Visitors to the four main national parks totalled 1,234,369 persons, 8.7% higher than the 1,136,055 total for 1954. These figures do not include arrivals by train and aeroplane, nor do they include visitors to such events as the Calgary Stampede who failed to go on to one of the Parks.

Another indication of the increased volume of tourist trade is derived from figures indicating that automobiles entering customs stations for touring purposes increased from 67,535 to 82,839 (or by 22.7%) during the first eleven months of the year.

POPULATION:

The population of Alberta increased from 1,039,000 in 1954 to 1,066,000 in 1955. That of the four western provinces, which constitutes one large market

area, increased from 4,011,000 to 4,109,000.

The cities of Calgary and Edmonton, each growing at a rate of approximately 1,000 per month, reached population totals of 180,000 and 229,000 respectively. Civic census reports received during the year from all centres indicate an accelerating trend toward urbanization.

REGIONAL REPORTS

The following comments are summaries of reports received by this office from correspondents in the major cities of the province.

MEDICINE HAT DISTRICT:

Grain yields in the district were from 75% to 100% above normal during 1955, due both to above average moisture conditions and improved farming methods.

Cattle holdings are about 2% higher than in 1954, and feed and range grass supplies are ample.

Flour mills operated at about 80% of capacity, largely to supply domestic markets. Clay products plants and glass plants worked at capacity with a healthy back log of orders, and it is expected that the pottery plants, now under new management, will be back on full scale production in 1956. Greenhouse operations, a major Medicine Hat Industry maintained production at the 1954 rate.

Retail and wholesale trade volume increased or was maintained despite slower rural credit. While a good percentage of farmers possess moderate cattle holdings that provide yearly cash returns, grain marketing restrictions have resulted in a slow-up of collections and have interfered with rural economic progress.

It is expected that construction and manufacturing will maintain current rates on into 1956.

LETHBRIDGE DISTRICT:

The grain crop was above average and of good quality. Farmers growing Durham have been able to dispose of their wheat, but other grains cannot be turned into ready cash. The sugar beet crop and content was well up to average, and vegetable canning and mustard crops have done well.

New automobile and television sets sales have shown a decided increase, and other sales lines have held firm.

The establishment of processing plants for Pincher Creek Gas is expected to have a decided effect on development in the Lethbridge trading area.

CALGARY DISTRICT:

In Calgary proper the volume of building has been a most noteworthy factor. Not only was the volume of building permits issued the highest in the city's history, announced construction projects of both residential housing, and of office and commercial buildings seem to ensure equally high rates through 1956. Equally encouraging is the progress being made in the development of new industrial areas now being serviced by the two railroad companies.

Wholesale trade reports from Calgary firms indicate that commercial activity was at a high level during the year. It is expected that construction of the Trans-Canada pipeline will give another economic impetus to the whole of southern Alberta. The index of employment in Calgary manufacturing industries rose to new high levels during the year.

EDMONTON DISTRICT:

Employment in the Edmonton area reached a new height during 1955. Retail and wholesale trade improved, dollar volume of the latter being nearly 11% higher in November than a year earlier. During 1955 manufacturing and industrial building to a value of \$48,500,000 was in progress in Edmonton and adjacent area. Building permits issued by the city were below 1954 levels, but gross volume was still high at \$58,700,000.

WHOLESALE TRADE

GROCERIES:

The wholesale grocery trade is once again becoming stabilized following a period of price cutting competition among wholesalers endeavouring to secure greater volumes of consumer dollars. Sales to the retail trade increased, and because of extensive developments in the north country industrial sales were most satisfactory. There are indications that traders from other provinces are endeavouring to secure

this volume.

In general grocery prices remained much the same as in 1954 but fresh fruit and vegetables were, over the year, slightly higher.

The fact that farmers were unable to sell grain from the year's crop had a detrimental effect on sales at the retail level, and in turn of course at the wholesale level as well. Country merchants are concerned about the money which is on their books and in increasing numbers are selling only on a cash basis.

DRY GOODS:

After a slow start, dry goods sales by the end of October were well above 1954 levels largely because of very satisfactory summer weather. The very cold weather of ensuing months, at least in northern parts of the province, enabled wholesalers to dispose of heavy winter goods, some of which had been carried on the shelves for the past three years.

HARDWARE:

Wholesale hardware sales were well above 1954 levels. Edmonton as supply depot for the northern mining areas and as centre of a developing industrial community is in a very favourable position.

Sales to rural points are lagging somewhat due to wheat disposal problems of the farmers. There is no doubt that with general world wide steel shortages and continuing high consumer demand, that prices for durable goods will be higher in 1956.

